

City Tower Has Buyer

Grunberg Realty Signs Contract For Bank Building

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A Manhattan real estate company that describes itself as "very bullish" on Hartford has signed a contract to buy the downtown Bank of America building after Northland Investment Corp. ended its quest to purchase the 27-story tower.

Grunberg Realty confirmed Thursday that it would purchase the building at 777 Main St. in a deal expected to close in March. It would become the firm's second major purchase in the heart of downtown Hartford, two years after it acquired a 28-story tower at 280 Trumbull St.

The deal is also the most recent example of private dollars coming in behind the state-backed redevelopment of downtown Hartford.

The 360,000-square-foot Bank of America building could continue to be used as office space, but could also be used for apartments, condominiums or a combination of office and residential use, said Michael Grunberg, a principal in the family-run firm.

"I'm leaving all options open," Grunberg said.

Grunberg declined Thursday to reveal the purchase price, but indicated that it was "substantially more" than the \$12 million that Northland offered.

Earlier this week, Northland, downtown Hartford's largest landlord, dropped its lawsuit against the current owners of the building, American Financial Realty Trust, and two associated companies.

The suit had sought to force the sale of the building to Northland.

Northland, based in Newton, Mass., had accused the owners of backing out of a deal outlined in mid-January in a letter of intent to sell. American Financial Realty, based in Jenkintown, Pa., terminated that agreement on Jan. 26, a decision that prompted the lawsuit.

Neither Northland nor American Financial Realty would discuss the circumstances - or any financial settlement - surrounding the dropping of the lawsuit. But court documents show that the action was taken "with prejudice," meaning Northland cannot resurrect legal action in the matter.

"We are proud to be such an active participant in Hartford's revitalization and will continue to pursue

new opportunities," said Chuck Coursey, a Northland spokesman in Hartford. "Those opportunities won't include 777 Main St."

Anthony DeFazio, a spokesman for American Financial Realty, said the firm "is pleased that a resolution has been reached that is mutually beneficial to both parties."

American Financial Realty purchased the tower in late 2004 as part of a \$353 million portfolio of 248 properties owned nationwide by Bank of America.

City records show that 777 Main St. was valued at \$18.4 million in the transaction.

DeFazio said it is not unusual for American Financial Realty to sell some properties acquired in large portfolio purchases.

Often, those properties are purchased by individual investors who see potential in them, DeFazio said.

Last year, Grunberg, who lives in Greenwich, was edged out by Northland in his bid to purchase Goodwin Square. Northland agreed to pay \$41 million for the property, which includes the Goodwin Hotel.

Grunberg said Thursday that he has had his eye on the Bank of America building since last year. It was erected in 1967 as the headquarters of the old Hartford National Bank and, Grunberg said, was intended to convey a sense of stability to the bank's customers.

"They built it just as substantially as they wanted the bank to appear to their customers," Grunberg said. "The bones are there. It's a well-built building."

Grunberg said his first preference would be to use the building for office space, but that he also would consider residential.

He won't make any decisions, including about possible renovations, until he meets with the tenants. He said he will probably do that next week.

Corporate downsizings in the city and their effect on the downtown office market continue to be a concern because employment growth is needed to fill office space that is unoccupied.

But Grunberg said he remains enthusiastic about Hartford's future, especially after the opening of the convention center and progress on residential projects, such as the 36-story apartment tower now under construction by Northland.

"I think Hartford is on its way up," Grunberg said.

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